AUG 31 2001

Supreme Court, U.S.
FILED
AUG 31 2001

No. 00-1543

In the Supreme Court of the United States

OCTOBER TERM, 2000

FESTO CORPORATION,

Petitioner,

v.

SHOKETSU KINOZOKU KOGYO KABUSHIKI CO., LTD., A/K/A SMC CORPORATION AND SMC PNEUMATICS, INC.,

Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF FOR PETITIONER

ANDREW L. FREY
DONALD M. FALK
ROBERT L. BRONSTON
Mayer, Brown & Platt
1909 K Street, N.W.
Washington, D.C. 20006
(202) 263-3000

ROBERT H. BORK
Counsel of Record
Suite 1000
1150 17th Street, N.W.
Washington, D.C. 20036
(202) 862-5851

CHARLES R. HOFFMANN
GERALD T. BODNER
GLENN T. HENNEBERGER
ANTHONY E. BENNETT
Hoffmann & Baron, LLP
6900 Jericho Turnpike
Syosset, New York 11791
(516) 822-3550

Counsel for Petitioner

AUGUST 31, 2001

63 pp

QUESTIONS PRESENTED

1. Whether every claim narrowing amendment designed to comply with any requirement of the Patent Act — including those not related to prior art — automatically creates prosecution history estoppel.

2. Whether every finding of prosecution history estoppel completely bars every application of the doctrine of equivalents.

RULE 29.6 STATEMENT

Petitioner Festo Corporation is a subsidiary of Festo AG. There are no subsidiaries or affiliates of Festo Corporation that have issued shares to the public.

TABLE OF CONTENTS

Page

QUESTIONS PRESENTED ..... (I)

RULE 29.6 STATEMENT ii

TABLE OF AUTHORITIES vi

OPINIONS BELOW 1

JURISDICTION 1

STATUTORY PROVISIONS INVOLVED 1

STATEMENT OF THE CASE 1

A. The Patent Application Process 2

B. The Prosecution of the Rodless Cylinder Patents 5

1. Prosecution History of the Stoll Patent 5

2. Prosecution History of the Carroll Patent 8

C. Prior Proceedings 8

1. District Court 8

2. Initial Appeal and Decision on Remand 9

3. The En Banc Decision 10

SUMMARY OF ARGUMENT 15

TABLE OF CONTENTS — Continued

Page

ARGUMENT 18

I. THIS COURT SHOULD ADHERE TO ITS TRADITIONAL UNDERSTANDING OF THE REACH OF PROSECUTION HISTORY ESTOPPEL 19

A. Prosecution History Estoppel Limits the Doctrine of Equivalents Only When Subject Matter Has Been Surrendered In Order To Render The Claimed Subject Matter Patentable. 21

1. The Federal Circuit's rule is wholly inconsistent with the way this Court has applied prosecution history estoppel. 24

2. The Federal Circuit Unjustifiably Expanded The Presumption Recognized in *Warner-Jenkinson* 29

B. Prosecution History Estoppel Does Not Completely Bar Every Possible Range of Equivalents for an Amended Claim Element 32

II. THE FEDERAL CIRCUIT'S NEW RULES ACCOMPLISH NOTHING USEFUL BUT ARE BOUND TO COMPLICATE PATENT PROSECUTION AND LITIGATION. 38

TABLE OF CONTENTS — Continued

Page

III. THE FEDERAL CIRCUIT'S RULES WOULD SERIOUSLY DAMAGE THE PATENT SYSTEM AND ENACT HARMFUL PUBLIC POLICY.... 42

CONCLUSION 45

TABLE OF AUTHORITIES

Page(s)

Cases:

Black & Decker v. *Hoover Service Center*, 886 F.2d 1285 (Fed. Cir. 1989) 27

Davis v. *Wakelee*, 156 U.S. 680 (1895) 22

Exhibit Supply Co. v. *Ace Patents Corp.*, 315 U.S. 126 (1942) 25

Fay v. *Cordesman*, 109 U.S. 408 (1883) 23, 34

Goodyear Dental Vulcanite Co. v. *Davis*, 102 U.S. 222 (1880) 23, 34

Graham v. *John Deere Co.*, 383 U.S. 1 (1966) 16, 26

Graver Tank & Manufacturing Co. v. *Linde Air Products Co.*, 339 U.S. 605 (1950) ..... *passim*

Hi-Life Products Inc. v. *American Nat'l Water-Mattress Corp*, 842 F.2d 323 (Fed. Cir. 1988) 27

Hubbell v. *United States*, 179 U.S. 77 (1900) 26

Hurlbut v. *Schillinger*, 130 U.S. 456 (1889) 33

Hughes Aircraft Co. v. *United States*, 140 F.3d 1470 (Fed. Cir. 1998) 11

Keystone Driller Co. v. *Northwest Engineering Corp.*, 294 U.S. 42 (1935) 21, 25

TABLE OF AUTHORITIES — Continued

Page(s)

Mannesmann Demag Corp. v. *Engineered Metal Prods. Co.*, 793 F.2d 1279 (Fed. Cir. 1986) 27

Moeller v. *Ionetics, Inc.*, 749 F.2d 653 (Fed. Cir. 1986) .. 27

O'Reilly v. *Morse*, 15 How. (56 U.S.) 62 (1853) 20

Odiorne v. *Winkley*, 18 F. Cas. 581 (C.C.D. Mass. 1814) 20

Royal Typewriter Co. v. *Remington Rand*, 168 F.2d 691 (2d Cir. 1948) 22

Sargent v. *Hall Safe & Lock Co.*, 114 U.S. 63 (1885) 23

Seymour v. *Osborne*, 78 U.S. (11 Wall.) 516 (1870) 35

Shepard v. *Carrigan*, 116 U.S. 593 (1886) 34

Smith v. *Magic City Kennel Club, Inc.*, 282 U.S. 784 (1931) 25, 26

Sperry v. *Florida Ex Rel. Florida Bar*, 373 U.S. 379 (1963) 27

Topliff v. *Topliff*, 145 U.S. 156 (1892) 27, 28

Warner-Jenkinson Co. v. *Hilton Davis Chemical Co.*, 520 U.S. 17 (1997) ..... *passim*

Union Paper-Bag Machine Co. v. *Murphy*, 97 U.S. 120 (1878) 35

TABLE OF AUTHORITIES — Continued

	Page(s)
Statutes and Regulations:	
28 U.S.C. 1254(1)	1
28 U.S.C. 1295(a)(1)	1
28 U.S.C. 1338(a)	1
35 U.S.C. 101	3
35 U.S.C. 103(a)	3
35 U.S.C. 112	4, 6, 24
35 U.S.C. 112, ¶ 1	4
35 U.S.C. 112, ¶ 5	6
35 U.S.C. 119	6
35 U.S.C. 122(b)	45
35 U.S.C. 154(a)(2)	45
37 C.F.R. 1.52(a)	44

BRIEF FOR THE PETITIONER

OPINIONS BELOW

The opinion of the en banc Federal Circuit (Pet. App. 1a-155a) is reported at 234 F.3d 558. Prior opinions include the original decision of the court of appeals panel affirming the district court's judgment of infringement in favor of petitioner (Pet. App. 190a-207a), reported at 72 F.3d 857; this Court's order granting certiorari, vacating and remanding for further consideration, reported at 520 U.S. 1111; and the decision of the court of appeals panel after remand reinstating the judgment in favor of petitioner (Pet. App. 156a-189a), reported at 172 F.3d 1361.

JURISDICTION

The district court had jurisdiction under 28 U.S.C. 1338(a). The jurisdiction of the court of appeals rested on 28 U.S.C. 1295(a)(1). The decision of the en banc court of appeals was rendered on November 29, 2000. The Chief Justice extended the time for filing a petition for a writ of certiorari to and including April 9, 2001, and the petition was filed on that date and granted on June 18, 2001. This Court has jurisdiction under 28 U.S.C. 1254(1).

STATUTORY PROVISIONS INVOLVED

Pertinent provisions of the Patent Code (35 U.S.C. 101-103, 111-112, 271(a)) are set forth in the Appendix, *infra*.

STATEMENT OF THE CASE

Under the doctrine of equivalents, which this Court acknowledged before the Civil War and reaffirmed as recently as 1997, "a product or process that does not literally infringe upon the express terms of a patent claim may nonetheless be found to infringe if there is 'equivalence' between the elements of the accused product or process and the claimed elements of the patented invention." *Warner-Jenkinson Co.* v. *Hilton Davis*

Chem. Co., 520 U.S. 17, 21 (1997). Without the protection of the doctrine of equivalents, patent-holders would be at the mercy of copyists who could appropriate to their use the essence of an invention by simply introducing a minor and insubstantial variation from the literal terms of just one of the elements described in the patent.

In *Warner-Jenkinson*, the Court specifically rejected the contention that the doctrine of equivalents should be discarded with respect to any patent claim amended during prosecution of the patent. Rather, the Court concluded, estoppel should be reserved for amendments made "to address a specific concern * * * that arguably would have rendered the claimed subject matter unpatentable." 520 U.S. at 30-31. For all practical purposes, the Federal Circuit's decision in this case undoes this Court's work and flouts its reasoning.

Most patents are issued only after one or more amendments have been made. Sometimes those amendments redefine the subject matter of the invention, and sometimes they are intended to meet formal or stylistic requirements for proper description of an invention; rarely are they submitted for reasons unrelated to *any* requirement for obtaining issuance of a patent. If endorsed by this Court, the new principles announced by the Federal Circuit will effectively strip most existing patents of the vital protection provided by the doctrine of equivalents and may be expected in the future to alter radically the practices followed in applying for patents.

A. The Patent Application Process

We begin with a brief review of the structure of the Patent Code and the patent application process, which serves as important background for the consideration of the issues presented by the case. Two chapters of the Patent Code set out what may be patented and how a patent may be obtained. Chapter 10 (35 U.S.C. 100-104) deals with "Patentability of

Inventions" and limits the permissible subject matter for a patent. (It should be noted that the term "Patentability" as used in the Code and in prior decisions of this Court (see p. 26, *infra*), has a far narrower meaning than that ascribed to it by the Federal Circuit.) Chapter 11 (35 U.S.C. 111-122) deals with the "Application for Patent" and sets out drafting requirements for a patent application. To the extent the amendments in this case were responding to a rejection by the patent examiner, the grounds therefor arose under Chapter 11.

In explaining "Patentability," the Code first sets out requirements of novelty and utility. Section 101, headed "Inventions Patentable," provides that a patent may be granted for any "process, machine, manufacture, or composition of matter" that is both "new and useful," or for an improvement on an older invention if the improvement is "new and useful" in its own right. 35 U.S.C. 101. Sections 102 and 103 each are headed "Conditions for Patentability"; each addresses the relation of an invention to prior art in the relevant field. Section 102 elaborates on the requirement of novelty, in principal part denying patentability to inventions that were first invented by someone other than the applicant (*i.e.*, were anticipated), or that the applicant disclosed to the public in certain defined ways (*e.g.*, through sale or permissive public use) more than one year before the patent application was filed. *Id.* § 102. Section 103 rejects patentability if the "subject matter sought to be patented," even if not precisely anticipated or disclosed within the terms of Section 102, nonetheless differs from the "prior art" only in ways that "would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." 35 U.S.C. 103(a).

Section 112 sets out the formal requirements for drafting the specification, which is the principal part of a patent application. Among other things, Section 112 imposes

standards of clarity and enablement on the specification, requiring that the invention be described "in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains * * * to make and use" it, while "set[ting] forth the best mode contemplated by the inventor for carrying out his invention." 35 U.S.C. 112, ¶ 1.

An inventor wishing to obtain a patent must file an application with the United States Patent and Trademark Office ("PTO") describing his invention. The application is assigned to an examiner, who reviews it to ascertain whether what is defined in the claims is in fact patentable and whether its claims are described in the form required by the Patent Act.

If there are doubts about the merits or form of the application, as there often are, the application may be rejected on specified grounds, or a process of negotiation between the applicant and the examiner may occur. In either case, what generally ensues are one or more amendments to the application, leading eventually, if the applicant is successful, to issuance of a patent entitling its holder to control use of the invention during its 20-year term.

A patent-holder who believes that an unlicensed person is practicing the invention may bring an infringement action for injunctive relief and damages. To show literal infringement, the plaintiff must establish that the accused product replicates every element set forth in one or more claims of the patent. In addition, however, in order to protect against copyists misappropriating the essence of an invention by copying all but one or two elements and making only minor or insubstantial changes in those, the patent-holder may establish infringement under the doctrine of equivalents.

The specification and the claims contained in the language of the patent thus serve as the primary source for definition of the invention. But the public and the courts are also guided in

that interpretive process by the history of the prosecution of the patent. As traditionally applied, the doctrine of prosecution history estoppel prevents a patentee from recapturing equivalents that were clearly surrendered to obtain the patent.

B. The Prosecution of the Rodless Cylinder Patents

The present case asserted infringement by respondent SMC of U.S. Patent Nos. 4,354,125 (Stoll) and 3,779,401 (Carroll), both owned by petitioner Festo Corporation. Pet. App. 32a. Festo's claims were successful in the trial court, which awarded an injunction and millions of dollars in damages, and were upheld in two Federal Circuit panel decisions before being rejected in full by the en banc Federal Circuit.

The magnetically coupled rodless cylinder inventions of the two patents at issue are each the result of years of development by their inventors, Dr. Kurt Stoll and Mr. George Carroll (CAFC Jt. App. A574-578, A1378-1384). Commercial embodiments of the inventions resulted in applications as diverse as sewing equipment to assist people with disabilities (Jt. App. I-147 to 148) to attractions at Disney World (Jt. App. I-93).

In the litigation below, SMC was held to have infringed the two Festo patents on the basis of the doctrine of equivalents. Pet. App. 32a. SMC's accused product differed from the patented Festo product only insofar as (1) it embodied insubstantial changes in the arrangement of sealing and guide rings positioned on the piston within the cylinder tube and (2) the outer sleeve of the cylinder was composed of a different metal. Pet. App. 38a-39a.

1. Prosecution History of the Stoll Patent

The Stoll patent describes and claims a significantly improved magnetically coupled rodless cylinder. Jt. App. II-1 to 6. Magnetic rodless cylinders are used in a wide range of

industrial applications to transport articles from one point to another. The magnetically coupled cylinders include three basic components: a piston assembly, a cylinder tube, and a follower assembly. Pet. App. 33a. The piston inside the tube is moved by fluid under pressure introduced at either end of the tube. Because the piston and the follower outside the tube are magnetically linked, there is no need for a mechanical linkage, and the follower, and an article attached to it, moves in the same direction outside the tube. *Ibid.*

Dr. Kurt Stoll's original patent application was an English-language translation of a German patent application. Pet. App. 39a. That is not uncommon: many applications claim priority from applications originally filed in other countries, and are translated from the native language of the foreign application into English. 35 U.S.C. 119. Other countries, however, have very different standards for the form of patent claims. Thus, it frequently happens that a literal translation of the claims from a foreign application will fail to satisfy the requirements of 35 U.S.C. 112. Under such circumstances, it may be necessary to delete the unclear literal translation of a claim and submit a new claim for examination by the patent examiner that conforms to U.S. patent practice; amendments made for such reasons rarely reflect any intention to surrender any protection.

The Patent Office rejected the initial Stoll application under 35 U.S.C. 112. Jt. App. II-30 to 32. The patent examiner indicated that the "exact method of operation [was] unclear," see 35 U.S.C. 112, ¶¶ 1-2, and asked, "Is [the] device a true motor or magnetic clutch?" Jt. App. II-31. The examiner also rejected claims 4-12 because they were "improperly multipl[y] dependent" (*ibid.*), that is, multiple dependent claims depended on other multiple dependent claims. That form of claiming is acceptable in Europe, see Jt. App. I-122, but is forbidden by 35 U.S.C. 112, ¶ 5. The examiner did not assert that any prior art

anticipated the Stoll invention or rendered it obvious. Pet. App. 146a; Jt. App. I-121 to 123.

In response, Stoll submitted a single new independent claim in order to clarify the nature of the device. Pet. App. 40a-41a, 185a. Original Claim 1 had claimed a "sealing means at each end [of the piston] for [w]iping engagement with an internal surface of the tubular part and so as to form a seal for the pressure medium." Jt. App. II-24. New Claim 1 incorporated the limitation to two sealing rings that had originally appeared in dependent Claim 4. New Claim 1 also incorporated a limitation from prior dependent Claim 8 requiring that the outer sleeve of the device be made of a magnetizable material. Pet. App. 185a. Stoll also amended the remaining dependent claims to bring them into proper U.S. format.

Along with his amendment, Dr. Stoll submitted two earlier German patents belonging to Festo. Pet. App. 40a. He explained that these patents did not anticipate his invention because neither patent disclosed "the use of structure preventing the interference of impurities located inside the tube and on the outside of the tube while the arrangement is moved along the tube." Jt. App. II-39 to 40; Pet. App. 185a-186a. Stoll's original Claim 1 claimed this distinguishing structure as the "sealing means" on the piston and the "means at each end" of the follower assembly "for wiping engagement with an external surface of the tubular part." Jt. App. II-24. Therefore, original Claim 1 and the newly submitted independent claim were both distinguishable from these German references in the same fashion. Thus, the amendment did not indicate any surrender of subject matter.

In response to the amendment, the examiner proposed to allow the application, provided references to "linear motors" in the specifications were replaced with more appropriate terminology. Jt. App. II-59. Stoll submitted a further

amendment to comply with this demand (Jt. App. II-62), and the patent issued (Jt. App. II-64).

2. Prosecution History of the Carroll Patent

The relevant prosecution history of the Carroll patent occurred when Festo requested a reexamination in light of its own German Patent No. 1,982,379, which had not been considered during initial examination. The German patent discloses a rodless cylinder having several features of the device described in the Carroll patent, including sealing rings. Pet. App. 173a.

During reexamination, the issued claims were cancelled and Festo submitted a new claim including additional elements. Jt. App. II-180 to 186. Festo argued during reexamination that the claimed features of the plurality of spaced magnets and the end members and cushions distinguished the Carroll invention from that described in the German patent. See *ibid.*; Pet. App. 173a. Festo's new claim also added the limitation of a pair of sealing rings at opposite ends of the piston assembly, but never identified the sealing rings as a point of distinction from the German patent. Indeed, the pair of sealing rings did not distinguish over the German patent, which also disclosed a pair of sealing rings on the piston. Jt. App. II-159; II-173, ref. Numeral 1b and 1c. The examiner allowed the new claim and, like Festo, did not identify the sealing rings as a basis for distinguishing the German patent. Pet. App. 173a; Jt. App. II-188 to 189.

C. Prior Proceedings

1. District Court

The magnetically coupled rodless cylinders covered by the Stoll and Carroll patents were unique, door-opener products that Festo used to interest customers in its entire product line. Jt. App. I-91. After Festo enjoyed seven years of strong sales,

respondent SMC entered the market with a rodless pneumatic cylinder that was identical to the Festo device except that it used one rather than two sealing rings and constructed the cylinder sleeve of a different metal. Jt. App. I-92.

Festo sued SMC in the District of Massachusetts for infringing the Stoll and Carroll patents. The district court granted Festo summary judgment with respect to infringement of the Carroll patent, concluding that SMC's rodless cylinders having two sealing rings literally infringed the Carroll patent and that the SMC devices having a single two-way sealing ring infringed the Carroll patent under the doctrine of equivalents. A jury then concluded that the accused SMC devices infringed the Stoll patent under the doctrine of equivalents. Pet. App. 32a.

2. Initial Appeal and Decision on Remand

A panel of the Federal Circuit affirmed (Pet. App. 190a-207a), but this Court granted certiorari, vacated the judgment and remanded the case for further consideration in light of *Warner-Jenkinson*, in which the Court unanimously reaffirmed the vitality of the doctrine of equivalents.

On remand, the panel rejected SMC's arguments that an estoppel should arise regardless of the reasons for an amendment. It noted that *Warner-Jenkinson* specifically declined to adopt a "more rigid rule invoking estoppel regardless of the reason for the change." Pet. App. 172a (quoting 520 U.S. at 32). The panel cited the statement in *Warner-Jenkinson* that, where an amendment was "not related to avoiding the prior art, the change may introduce a new element, but it does not necessarily preclude infringement by equivalents of that element." Pet. App. 172a (quoting 520 U.S. at 33).

The panel held, with respect to the Carroll patent, that because the amendment was made voluntarily and not in response to any objection by the patent examiner, prosecution history estoppel did not limit application of the doctrine of equivalents. Pet. App. 174a-175a. With respect to the Stoll patent, the panel held that one amendment was likewise voluntary, not made to avoid the prior art, and thus prosecution history estoppel did not apply. Pet. App. 188a. Because the other amendment in this patent presented an "unresolved issue," however, the Federal Circuit panel remanded to the district court to determine whether the *Warner-Jenkinson* presumption should apply and if so, whether it could be rebutted. *Ibid.*

3. The En Banc Decision

A sharply divided en banc court of appeals, by an 8-4 vote and with seven separate opinions, reversed the finding of infringement as to both patents. Pet. App. 1a-156a. First, the majority held that an amendment made to satisfy *any* statutory requirement for patentability, even if unrelated to prior art, will trigger prosecution history estoppel. Pet. App. 3a, 8a-11a. It stated (*id.* at 10a-11a):

> In view of the functions of prosecution history estoppel — preserving the notice function of the claims and preventing patent holders from recapturing under the doctrine of equivalents subject matter that was surrendered before the Patent Office — we see no reason why prosecution history estoppel should not also arise from amendments made for other reasons related to patentability * * *.

Second, the court held that a "voluntary" claim amendment not made in response to any objection by the patent examiner could trigger an estoppel. Pet. App. 3a-4a, 11a-13a. In its

view, any amendment, voluntary or not, "signal[s] to the public that subject matter has been surrendered" (*id.* at 12a), and it makes no difference whether the belief in unpatentability derives from the examiner or the applicant.

Third, the en banc court concluded that whenever a claim amendment creates an estoppel, no equivalents of any kind are available as to that element. Pet. App. 4a, 13a-30a. The majority began with a lengthy discussion of this Court's decisions, which, it concluded, did not squarely foreclose its ruling. *Id.* at 13a-19a. It acknowledged that a long line of its own cases had applied a "flexible bar" approach to prosecution history estoppel, in which the range of permissible equivalents rested on "a determination as to the exact 'subject matter the patentee actually surrendered.'" *Id.* at 23a (quoting *Hughes Aircraft Co.* v. *United States*, 140 F.3d 1470, 1476-1477 (Fed. Cir. 1998)). The majority concluded, however, that this approach had proven unworkable because difficulties in applying the doctrine of equivalents impaired predictability of results (Pet. App. 24a-25a); its new complete-bar rule would, it believed, promote desirable certainty in ascertaining the scope of the patent. It also opined that in practice the flexible bar rule enabled applicants to escape the consequences of the disclaimer of subject matter inhering in claim-narrowing amendments (*id.* at 26a). Finally, the court stated that its rule would reduce the occasions for costly litigation, and that the ensuing diminutions in patent protection would benefit the public by allowing its members more freely to "improve on the patented technology and design around it without being inhibited by the threat of a lawsuit * * *." *Id.* at 30a.

On the fourth legal question it addressed, the majority expanded the presumption recognized in *Warner-Jenkinson*. The presumption as delineated in that case applied to "an amendment required during patent prosecution." 520 U.S. at 33. If the prosecution history did not establish the reason for

the required amendment, a "court should presume that the patent applicant had a substantial reason related to patentability for including the limiting element added by amendment." *Ibid.* Unless the patent-holder could establish the reason for the amendment, prosecution history estoppel would apply to the amended element. *Ibid.*

The Federal Circuit majority, however, applied the presumption to all amendments, required or not, while forbidding the patentee to present evidence beyond the prosecution history itself in order to show that an amendment was made for a reason unrelated to patentability. See Pet. App. 47a. Once the presumption was raised — which occurs when the prosecution history does not indicate the reason for the amendment — the presumption would be conclusive, because no evidence outside the prosecution history could be adduced to rebut the presumption. Thus, as the Federal Circuit constructed it, prosecution history estoppel completely bars the application of the doctrine of equivalents to any claim element subject to an amendment for which the prosecution history itself did not indicate a reason. *Ibid.*

Having set forth these principles, the majority quickly dispatched both the Carroll and Stoll patents to oblivion, finding that the claims had in each instance been narrowed and that the arrangement of sealing rings and composition of the sleeve in SMC's accused product, although not materially different from the product described in Festo's patent, did not literally infringe the patent. Because under its holdings the narrowing amendments completely barred all resort to the doctrine of equivalents, the court reversed Festo's judgment against SMC. Pet. App. 50a-56a.

Judge Plager concurred, though characterizing the majority's new approach as "a second-best solution to an unsatisfactory situation." Pet. App. 56a. He warned, however,

that "[u]nfortunately, this attempt at injecting certainty into the doctrine contains the potential for unintended consequences, consequences that may do nothing but exacerbate the problem." *Id.* at 58a. Judge Lourie also concurred, agreeing with the majority that the existing flexible bar rule was unworkable and contending that the Federal Circuit was not constrained by *Warner-Jenkinson* from reaching the result it did (*id.* at 65a) and that any expectations of the patent bar that may have been unsettled by the decision were not worthy of protection (*id.* at 66a).

The en banc decision provoked several vigorous dissents. Reviewing more than a century of precedent, Judge Michel, concurring and dissenting, joined by Judge Rader, maintained that the majority's complete bar "contradicts Supreme Court precedent and policy." Pet. App. 69a. He also noted the harsh retroactive effect of the majority's new rule (*ibid.*):

> [B]ecause most patents contain claims that were amended during prosecution, the majority's holding effectively strips most patentees of their rights to assert infringement under the doctrine of equivalents, despite the Supreme Court's unanimous adherence to the doctrine in *Warner-Jenkinson*.

Judge Michel also warned of the sweeping consequences of depriving even one claim in each patent of all protection of the doctrine of equivalents (Pet. App. 74a):

> [a]nyone who wants to steal a patentee's technology need only review the prosecution history to identify patentability-related amendments, and then make a trivial modification to that part of its product corresponding to an amended claim limitation.

The net effect was plain: "[M]ost patentees will lose the protection against copying that the Supreme Court unanimously reaffirmed in *Warner-Jenkinson*." *Ibid.* Judge Michel concluded that the ruling "will upset basic assumptions regarding the effective scope of patents, and will unfairly disrupt commercial relations based on these assumptions." Pet. App. 111a.

Judge Rader wrote separately to warn that "[w]ithout a doctrine of equivalents, any claim drafted in current technological terms could be easily circumvented after the advent of an advance in technology." Pet. App. 111a.

Judge Linn, concurring and dissenting, joined by Judge Rader, stated (Pet. App. 113a) that

> [T]he new bright line rule, as simple as it is hoped to be in application, wrongfully sets in place a regime that increases the cost and complexity of patent prosecution to the detriment of individual inventors, start-up companies, and others unable to bear these increased costs. The new regime * * * gives unscrupulous copyists a free ride on the coattails of legitimate inventors; and changes the rules under which prosecution strategies were formulated for thousands of extant patents no longer subject to correction.

Finally, Judge Newman, also concurring and dissenting, demonstrated that the majority opinion departs from *Warner-Jenkinson* in three ways (Pet. App. 132a):

> First, the majority holds that all equivalency is barred as to any claim element that is narrowed or added for reasons relating to patentability; access to the doctrine of equivalents is barred

> whether or not the [Supreme] Court's new rebuttable presumption arises and whether or not it is rebutted. Second, the majority denies consideration to any rebuttal evidence that is not already in the prosecution record, thereby converting the [*Warner-Jenkinson*] rebuttable presumption into an irrebuttable fiat. Third, the majority's inappropriately broad definition of "reasons related to patentability" further limits a patentee's access to equivalency, and exacerbates the conflict with the holdings of *Warner-Jenkinson*. The result is to negate infringement by equivalents, as a matter of law, thereby providing a blueprint for ready imitation of patented products.

This Court subsequently granted the petition for a writ of certiorari.

SUMMARY OF ARGUMENT

The Federal Circuit has deformed the traditional functions of prosecution history estoppel and the doctrine of equivalents. The court expanded estoppel to cover all patents that have been amended for reasons related to "patentability" whether or not the amendments surrendered any subject matter. The court simultaneously ruled that any such amendment precludes the patentee from relying on the doctrine of equivalents. Copyists may now proceed by making insignificant changes in any amended claim element, safe in the knowledge that the patentee cannot win an infringement action. The result is to render virtually valueless almost all existing and future patents.

I.

a. The Federal Circuit's new rules flatly contradict this Court's 1997 *Warner-Jenkinson* decision, which built upon

well over a century of like precedent. Under the historic understanding, prosecution history estoppel limits the doctrine of equivalents only when and to the extent that subject matter has been surrendered in order to render a structure or process patentable. That is the function of all estoppels known to the law — to prevent a party from gaining an advantage by contradicting his own prior representation. That is likewise the rationale this Court has consistently used in applying prosecution history estoppel. Festo's amendments to its patent claims did not surrender any subject matter and should not create any estoppel.

The Federal Circuit's fundamental error was its misunderstanding of the word "patentability," used by this Court in *Warner-Jenkinson* to describe the kinds of amendments that could give rise to an estoppel, and construed below to encompass any requirement of the Patent Code that must be satisfied in order to secure issuance of a patent. That is not, however, what "patentability" means. This is plain from the Patent Code itself: Sections 101-103, which deal with the subject matter covered by the invention, come under the chapter heading "***Patentability*** of Inventions," while Section 112, the primary source of the amendments at issue here, is in the chapter describing the "Application for Patent." The latter, therefore, although requirements for issuance of a patent, simply are not requirements relating to "patentability." This is further confirmed by this Court's cases stating that "patentability" involves the subject matter provisions only. *E.g.*, *Graham* v. *John Deere Co.*, 383 U.S. 1, 12 (1966).

b. *Warner-Jenkinson* created a rebuttable presumption of estoppel when the reason for an amendment is unknown. The Federal Circuit, however, held that the reason must be apparent from the prosecution history and that no extrinsic evidence can be considered. This makes no sense. If the reason is shown by the record, there is no occasion for having a presumption. It is

clear, moreover, that this Court contemplated that the presumption would be rebuttable; its remand would otherwise have been pointless. But the exclusion of other evidence destroys the possibility of rebuttal.

c. *Warner-Jenkinson* also held that even where an estoppel does arise, there may remain some range of subject matter that the patentee can claim under the doctrine of equivalents. The Federal Circuit held that no such range of subject matter can exist. The court below thus substituted a complete bar for the flexible bar this Court upheld. This substitution wrenches the estoppel away from the rationale that justifies it. It is wrong as a matter of law, logic, and policy.

II.

The Federal Circuit's sole reason for legislating new rules in conflict with those heretofore applied in this Court is its belief in the superiority of "rigid" rules as a means of producing certainty regarding the scope of patents. The promise of certainty in a viable patent system, however, is illusory. The drastic negative consequences attached to amendments will drive patent attorneys to (1) appeal all rejections rather than amend and accept an all-encompassing estoppel; (2) file very narrow claims to avoid the need to amend, and rely upon the doctrine of equivalents to capture subject matter not claimed; or (3) abandon the patent system altogether and rely on trade secret law.

None of these alternatives will produce certainty or be compatible with the effective operation of the patent system. If certainty is the trump card, there is no reason to eliminate equivalents only when a patent is amended; the doctrine should be expunged from the law altogether. But that would, as this Court has said, make the patent "a hollow and useless thing." *Graver Tank & Mfg. Co.* v. *Linde Air Prods. Co.*, 339 U.S. 605, 607 (1950).

III.

The Federal Circuit's new rules, by radically reducing the value of patents and liberally allowing imitators to appropriate to themselves the economic value of the patented invention, will greatly discourage investment in innovation. That is contrary to the rationale of the entire patent system as expressed by Congress and discerned by this Court.

At the end of the day, it is important to keep in mind that SMC's accused product is functionally the same as Festo's patented products. It captures the essence of the inventions made by Carroll and Stoll, and it departs from the literal patent patent claims only in insubstantial respects that are not materially different from the patented products. It is utterly senseless to jettison 150 years of precedent in order to protect SMC or others of its ilk.

ARGUMENT

This case is about the intersection between two venerable features of patent law: the doctrine of equivalents and that of prosecution history estoppel. The former precludes copyists from appropriating an invention by replicating it with only a minor or insubstantial variation on some element of the claims described in the patent; the latter precludes inventors who deliberately disclaim subject matter in order to render their claims patentable from later seeking to recapture that subject matter by invoking the doctrine of equivalents.

The decision of the Federal Circuit radically alters the prior understanding of the interplay between the doctrines and dramatically expands the traditional reach of prosecution history estoppel. By retroactively removing essential protections from currently outstanding patents, it imposes unfair and unforeseeable penalties on the holders of those patents, rendering most of them effectively unenforceable

against unscrupulous copyists. And looking to the future, the reduced protections afforded to patents under the new Federal Circuit rules will significantly dilute the incentives for innovation that constitute the raison d'etre of the patent system.

I. THIS COURT SHOULD ADHERE TO ITS TRADITIONAL UNDERSTANDING OF THE REACH OF PROSECUTION HISTORY ESTOPPEL

In *Warner-Jenkinson*, this Court unanimously rejected the very same "rigid rule" that the Federal Circuit adopted here. See 520 U.S. at 32. The petitioner advocated, unsuccessfully, that any amendment to a patent claim, regardless of the reason for it, should give rise to a prosecution history estoppel barring any application of the doctrine of equivalents. That rule, this Court concluded, reached "too far." *Id.* at 30.

Under the analysis in *Warner-Jenkinson* and in the 150 years of precedent on which it built, the judgment of the court of appeals must be reversed. Reaching "too far" to exclude the doctrine of equivalents from an effective role in most patents is no small adjustment to the patent system. To the contrary, it strikes at its very heart. The decision below treats the doctrine as a source of unnecessary work for harried judges and an unwarranted inhibition of those who would closely reproduce a patented invention. In fact, however, the doctrine of equivalents gives vital substance to the patent right by protecting inventors from the inherent limitations of language in describing (and delimiting) their inventions. See *Graver Tank*, 339 U.S. at 607.

Patent claims are inherently and unavoidably imprecise at some level of specificity, because it is impossible in drafting them to anticipate every insubstantial variation on each element of the invention. Infringement is clear enough when "an accused device or composition" falls literally within "the words of the claim." *Graver Tank*, 339 U.S. at 607. But such

"[o]utright and forthright duplication is * * * very rare." *Ibid.* Because the ways of tangibly implementing a described structure or process are many, there is usually no need to copy literally every element of an invention; minor details almost always can be changed without altering its operation or result. For that reason, this Court has recognized that the need to express concrete concepts and processes in the words of patent claims should not "place the inventor at the mercy of verbalism" or "subordinat[e] substance to form." *Ibid.*

If an inventor's commercial rival could lawfully imitate a patented invention so long as the rival did "not copy every literal detail," the patent grant would be "a hollow and useless thing," *Graver Tank*, 339 U.S. at 607, since convenience as well as subterfuge may lead to insubstantial substitutions of one element for another. Accordingly, the federal courts, including this Court, long have engaged in a "wholesome realism" (*id.* at 608) and have recognized that a product that substantially duplicates a claim element may infringe even though it does not literally replicate the element. Justice Story was instructing juries to that effect nearly two hundred years ago (see *Odiorne* v. *Winkley*, 18 F. Cas. 581, 582 (C.C. D. Mass. 1814)), and this Court viewed the doctrine as "a well-settled principle of law" by the middle of the 19th Century. *O'Reilly* v. *Morse*, 15 How. (56 U.S.) 62, 123 (1853).

Although the doctrine of equivalents sometimes may be invoked in infringement litigation against sincere but misguided efforts to design around patents as well as against blatant copying, the protection of the doctrine is absolutely necessary to prevent the "practice [of] fraud on a patent." *Graver Tank*, 339 U.S. at 607. See also *Warner-Jenkinson*, 520 U.S. at 34-36 (refusing to limit application of the doctrine to cases of proven intentional copying). If divergence from the strict terms of one element of a patent claim excuses what otherwise would be infringement, then an "unscrupulous copyist" has a clear path

"to make unimportant and insubstantial changes and substitutions in the patent" while escaping liability. *Graver Tank*, 339 U.S. at 607. That is far too high a price to pay for the mere convenience of "a brighter line" that makes routine claim amendments the basis for effectively withdrawing patent protection, and does so, we submit, in wholly arbitrary fashion. See *Warner-Jenkinson*, 520 U.S. at 32 n.6.

A. Prosecution History Estoppel Limits the Doctrine of Equivalents Only When Subject Matter Has Been Surrendered In Order To Render The Claimed Subject Matter Patentable

Prosecution history estoppel is but one of four significant limitations to the application of the doctrine of equivalents. First and foremost, the doctrine requires the patent holder to prove that the accused device includes only insubstantial changes from the patented invention and is therefore truly equivalent. *Warner-Jenkinson*, 520 U.S. at 27-28, 39-40. Second, under the all-elements rule, the accused device must replicate each and every claim element or its equivalent. *Id.* at 29-30. Third, an asserted equivalent cannot infringe if the presence of that equivalent would bring the accused device within the prior art. *Id.* at 31 (citing *Keystone Driller Co.* v. *Northwest Engineering Corp.*, 294 U.S. 42, 48 (1935)). Fourth, equivalents that have been disclaimed during prosecution before the Patent and Trademark Office may not be recaptured in litigation by asserting equivalents. *Id.* at 30-33.

Festo's infringement action meets all of those requirements. Only the fourth, the scope of prosecution history estoppel, is contested here. It is contested not on the facts — equivalence is established, and Festo did not disclaim relevant subject matter in securing the patents — but on the law: SMC contends that estoppel arises even without any disclaimer of subject matter, and that any narrowing amendment completely bars

invocation of the doctrine of equivalents regardless of its purpose.

Imposing an estoppel without a detectable disclaimer works injustice. Where competitors choose to create substantially similar products to those claimed in a patent, the doctrine of equivalents must be available to "prevent the infringer from stealing the benefit of the invention." *Graver Tank*, 339 U.S. at 608 (quoting Judge Learned Hand in *Royal Typewriter Co.* v. *Remington Rand*, 168 F.2d 691, 692 (2d Cir. 1948)). The Federal Circuit's drastic expansion of prosecution history estoppel would severely curtail the ability of the doctrine of equivalents to perform this crucial function.

The Federal Circuit rule tears the estoppel principle from its roots. Estoppel is an equitable doctrine that prevents a party from obtaining a benefit by contradicting a previous assertion from which he gained advantage. He may not surrender a position or a claim to achieve one purpose and then attempt to reassert that which was abandoned to achieve another purpose. *Davis* v. *Wakelee*, 156 U.S. 680, 689 (1895). Accordingly, it is deemed inequitable to permit a patent holder, once having secured a patent through the surrender of subject matter, to reclaim the same subject matter by asserting the doctrine of equivalents.

In addition, insofar as an estoppel is justified to enforce the public's right to rely on what is disclosed by the record of the prosecution of the patent, that goal has force only to the extent the surrender was such that a competitor would reasonably believe that a disclaimer has taken place. This explains why prosecution history estoppel has heretofore been limited to amendments made in response to objections about novelty or obviousness, see *Warner-Jenkinson*, 520 U.S. at 30-32. In that context a competitor may reasonably rely on the applicant's surrender of subject matter as an acquiescence in the

examiner's judgment that the earlier claim in fact was anticipated by, or obvious in light of, prior art.

The fact that limitations have been added to a claim does not in itself evince a surrender of equivalents for the added elements. See *Goodyear Dental Vulcanite Co.* v. *Davis*, 102 U.S. 222, 223-227 (1880); *Sargent* v. *Hall Safe & Lock Co.*, 114 U.S. 63, 86 (1885) (quoting *Fay* v. *Cordesman*, 109 U.S. 408, 420 (1883) (addition of element in response to rejection leaves open question whether in an accused device that element "is supplied by an equivalent")). Assume that an applicant for a patent mistakenly omits a claim element that links two other elements of a claim. Although the claim would otherwise be allowable in view of the prior art, the patent examiner rejects the application under § 112 because a necessary linking element was omitted. The applicant amends the claim to add the linking element, and the claim is then allowed. Under the new Federal Circuit rule, the claim amendment, though it surrendered nothing, would create prosecution history estoppel preventing reliance upon the doctrine of equivalents. That result is inequitable and unconnected to the rationale for enforcing estoppels. The patentee has not sought an advantage by contradicting his own previous assertion.

As Judge Michel explained in dissent, an estoppel applied under these circumstances "is hardly an 'estoppel' at all." Pet. App. 73a. The Federal Circuit ignores the context of amendments within the prosecution history, giving no consideration to "whether a reasonable competitor would rely on the nature of the rejections and of the amendments and statements between the applicant and the examiner as evidence of a surrender of subject matter." *Ibid.* The Federal Circuit has transformed a rule of equity into a conclusive legal presumption of dramatically wider scope that is wholly unlike traditional estoppels.

That dramatic transformation is illustrated by the case at bar. With respect to the Stoll patent, the claims were rejected only under 35 U.S.C. 112 for lack of clarity and improper format (Jt. App. II-30 to 32); no prior art rejection was ever made by the examiner. In response, Festo cancelled the only independent claim as well as several dependent claims and submitted a new independent claim including the limitations from the cancelled claims. Jt. App. II-36 to 40. Neither of the two limitations here at issue (sealing rings and composition of sleeve) was required during prosecution for patentability over the prior art. This Court has never held such amendments made in response to a § 112 rejection to create any estoppel, much less a complete bar to the doctrine of equivalents (see Point I(B), *infra*).[1]

1. The Federal Circuit's rule is wholly inconsistent with the way this Court has applied prosecution history estoppel.

Under the Federal Circuit's new rule, prosecution history estoppel arises in connection with amendments made for "any reason related to the statutory requirements for a patent." Pet. App. 3a. Therefore, estoppel will automatically arise not only from amendments made to avoid prior art but also from amendments made to overcome rejections based on the formal and linguistic requirements of Section 112. Under this approach, nearly every claim amendment will create estoppel.

---

[1] The en banc majority suggested, in unelaborated *ipse dixit*, that the amendments were motivated by the prior art. See Pet. App. 52a. This was clear error. Neither the district court nor two panels of the court of appeals had found that the amendments were motivated by the prior art, SMC itself had not even asserted it, and there was no evidence from which the conclusion could fairly be drawn. To the contrary, it is in fact clear that none of the prior art required the addition of the elements now at issue. Even were that disputable, the majority's characterization would represent exercise of a fact-finding power it does not possess.

But while amendments that avoid the prior art are meant to surrender previously overbroad subject matter claims, those that merely clarify or otherwise improve the description of the invention do not necessarily surrender anything.

The protestations of the majority below notwithstanding, it is plain that its approach departs dramatically from this Court's prior delineations of the circumstances giving rise to estoppel. As the Court pointed out in *Warner-Jenkinson*, 520 U.S. at 31, its earlier cases had unfailingly "probed the reasoning behind the Patent Office's insistence upon a change in claims" and had imposed an estoppel "only where claims have been amended for a limited set of reasons." *Id.* at 32. After carefully reviewing those cases, the Court concluded that "[w]here the reason for the change was not related to avoiding the prior art, the change may introduce a new element, but it does not necessarily preclude infringement by equivalents of that element." *Id.* at 33. This is precisely the case at bar. None of the elements at issue were amended in view of prior art, and SMC's product has been found to meet all the requirements for infringement under the doctrine of equivalents.

Indeed, the Court repeatedly referred to "prior art" in discussing the types of amendments that create prosecution history estoppel (see 520 U.S. at 30, 31 & n.5 (five references), 33 & n.7), observing that in its decisions "prosecution history estoppel was tied to amendments made to avoid the prior art, or otherwise to address a specific concern — such as obviousness — that arguably would have rendered the claimed subject matter unpatentable." *Id.* at 30-31. Consistently with this description, the Court has never invoked an estoppel based on file history where prior art was not the reason for the amendment. See, *e.g.*, *Exhibit Supply Co.* v. *Ace Patents Corp.*, 315 U.S. 126, 136 (1942); *Keystone Driller Co.* v. *Northwest Engineering Corp.*, 294 U.S. 42, 47 (1935); *Smith* v. *Magic*

City Kennel Club, Inc., 282 U.S. 784 (1931); *Hubbell* v. *United States*, 179 U.S. 77, 83 (1900).

In the course of reiterating this point, the Court stated that if an amendment "had a purpose unrelated to patentability, a court must consider that purpose in order to decide whether an estoppel is precluded." *Warner-Jenkinson*, 520 U.S. at 40-41. The Federal Circuit seized upon the use of the word "patentability" to support its all-embracing approach to the occasions for estoppel. Pet. App. 11a. But the word does not broaden the scope of estoppel to encompass the formal requirements of Section 112. To the contrary, "patentability" has an established and limited meaning. This Court has explained that the Patent Act "sets out the conditions of patentability in three sections" that impose "three explicit conditions: novelty and utility as articulated and defined in § 101 and § 102, and nonobviousness * * * as set out in § 103." *Graham* v. *John Deere Co.*, 383 U.S. 1, 12 (1966).

The structure of the statute makes this unmistakably clear: Sections 101-103 come under the chapter heading "***Patentability*** of Inventions," while Section 112 is in the chapter describing the "Application for Patent." See *Graham*, 383 U.S. at 14 (noting interpretive significance of headings in 1952 Patent Act). And if there remained any room for doubt, this Court removed it when it noted in *Warner-Jenkinson* that prosecution history estoppel was limited to amendments addressing prior art or other concerns "that arguably would have rendered the claimed ***subject matter*** unpatentable." 520 U.S. at 30-31 (emphasis added). See also *id.* at 34 (referring to PTO function to ensure "that the claims allowed cover only subject matter that is properly patentable").

There is no support in any of this Court's precedents for imposing estoppel based on amendments made to impart clarity or to comply with formal requirements governing the manner

of describing the invention rather than to distinguish prior art.[2] This differentiation is justified by the difference in purpose of amendments made for prior art and amendments made for clarity.[3] When responding to an actual or potential prior art rejection, the applicant narrows the scope of the claim to distinguish the invention from what is already known. Having surrendered subject matter in this way, core estoppel principles justify blocking an attempt to recapture it under the doctrine of equivalents.

By contrast, amendments that clarify claim language are not made to surrender territory, but to define the borders of the patent more clearly and comprehensibly, to assist in notifying the public of the scope of the right, and to enable those in the art to reproduce the invention. If estoppel may arise from such amendments, a patent holder must fight to maintain unclear boundaries to his patent rights, a goal that undermines the notice function of claims.

The Federal Circuit offered no sound reason why a claim that defines the invention with sufficient clarity upon filing should be protected by the doctrine of equivalents, while a claim that is amended to impart that same clarity should be unprotected. This Court has long recognized that a patent application "constitute[s] one of the most difficult legal instruments to draw with accuracy," *Sperry* v. *Florida Ex Rel. Florida Bar*, 373 U.S. 379, 383 (1963) (citing *Topliff* v. *Topliff*,

---

[2] The Federal Circuit previously drew the same distinction. See, *e.g.*, *Black & Decker* v. *Hoover Service Center*, 886 F.2d 1285, 1294 n.13 (Fed. Cir. 1989); *Mannesmann Demag Corp.* v. *Engineered Metal Prods. Co.*, 793 F.2d 1279 (Fed. Cir. 1986); *Moeller* v. *Ionetics, Inc.*, 749 F.2d 653 (Fed. Cir. 1986); *Hi-Life Products, Inc.* v. *American Nat'l Water-Mattress Corp.*, 842 F.2d 323 (Fed. Cir. 1988).

[3] The United States explained this point in its brief in *Warner-Jenkinson*, see 1996 WL 172221, at *22-*23 (U.S. Apr. 11, 1996).

145 U.S. 156, 171 (1892)). The Federal Circuit's newfound insistence that applicants describe their inventions flawlessly from the outset places form over substance and overlooks the realities of patent prosecution.[4]

An inventor with intimate knowledge of the invention may firmly believe upon filing an application that the claim defines the invention clearly. However, claims are formed of words subject to various interpretations. A patent examiner having a different perspective may disagree with the inventor and require a change in the claim to ensure it is clear to the public. Prior to the decision below, applicants freely made amendments of this kind to accommodate the examiner's concerns and move the case forward. No one contemplated that routine clarifying amendments might restrict the scope of patent protection to the literal meaning of any arguably narrowing element. See, *e.g.*, *Warner-Jenkinson*, 520 U.S. at 32 n.6; *id.* at 41 (Ginsburg, J., concurring).

The facts of this action illustrate the point. In the case of the Stoll patent, the problem never was that the claimed invention was not a true advance over prior art. Rather, the format of the translation of the German patent did not comply with U.S. requirements, and the wording of the application left the examiner uncertain as to the exact character of the invention. And in the case of the Carroll patent, the circumstances that prompted the request for reexamination had

---

[4] This is especially true for U.S. applications based on a foreign priority application, as was the Stoll patent. Such U.S. applications are typically translations of the corresponding foreign priority applications. The translation process may introduce ambiguities, or questions of clarity may be introduced into a claim. These issues are typically addressed during prosecution by amending the claims to impart definiteness and otherwise conform to the particularities of U.S. law. The Federal Circuit's indiscriminate use of estoppel is extremely unfair to previously prosecuted patents that were based on foreign applications.

nothing whatever to do with the elements as to which SMC's product infringes by equivalents. In addressing these imperfections of draftsmanship and oversights in the formulation of the original applications, there was nothing remotely approaching a disclaimer that the invention covered other types or arrangements of sealing rings than the ones shown, or a differently composed but functionally identical sleeve. This history is far removed from the kind of action that would support an estoppel.

2. The Federal Circuit unjustifiably expanded the presumption recognized in *Warner-Jenkinson*.

In *Warner-Jenkinson*, this Court created a new, rebuttable presumption regarding the applicability of prosecution history estoppel: if an amendment submitted in response to a PTO rejection over prior art narrowed the claims without an explanation of the reason for the narrowing, it would be presumed that the entire amendment was intended to avoid that art or otherwise to render the subject matter patentable. See 520 U.S. at 33-34. If the patentee could not rebut the presumption, the amended claim element would receive no protection from infringement by equivalents.

The decision below dramatically alters the nature and scope of the presumption in two respects, both erroneous: it applies the presumption to all amendments, not just those made in response to a PTO rejection for overbroad subject matter; and it bars consideration of any evidence beyond the face of the PTO record in determining whether the presumption has been rebutted.

a. The circumstances giving rise to the presumption were expressly described in *Warner-Jenkinson* as those in which the amendment has been "***required*** during patent prosecution," and the Court further stated that the presumption was "subject to rebuttal if an appropriate reason for a ***required*** amendment is

established." 520 U.S. at 33 (emphases added). Nevertheless, the Federal Circuit found the presumption applicable even to voluntary amendments. Pet. App. 50a. In so doing, it unlinked the presumption from the rationale for having a presumption.

It makes perfect sense to presume that all of the contents of an amendment required by the Patent Office to ensure that the "claims allowed cover only subject matter that is properly patentable" (520 U.S. at 34) in fact surrender subject matter in order to comply with the requirement. Prosecution history estoppel exists to ensure that the prosecution history does not mislead the public about the scope of a patent. If the file wrapper shows expressly that an amendment was intended to surrender subject matter, the public can rely on that indication. The situation is more uncertain when an applicant responds to a rejection for prior art by submitting an amendment without providing further explanation for the submission; nevertheless, the applicant's silence in that context makes it fair to presume that the amendment responded to the rejection, unless the patentee can prove otherwise. An applicant responding to an objection based on prior art has warning that its response may be deemed to waive subject matter unless it provides a contrary explanation. A rational observer might well assume that every part of a response to a prior art rejection in fact addresses prior art. It was therefore appropriate to place the burden on the patentee to establish the falsity of that assumption. *Id.* at 33.

But because amendments are made for many reasons other than to narrow the scope of the claimed invention, silence about the purpose of amendments made in less suggestive contexts lacks the same potential to mislead. Indeed, to the extent an amendment is not intended to limit the subject matter claimed, it is less likely that the applicant would have perceived any need to explain its purpose to the PTO. In sum, where an amendment is made voluntarily and without discussion of the reasons for it, the public has no basis to assume that the

amendment was intended to surrender subject matter. A presumption that it was so intended would be unjustified.

b. The Federal Circuit did more than broaden the presumption to cover *all* unexplained amendments, regardless of context. It also held that "a patent holder seeking to establish the reason for an amendment must base his arguments solely upon the public record of the patent's prosecution, i.e., the patent's prosecution history" (Pet. App. 47a). This makes no sense: if the reason for the amendment is discernible from the PTO record, there is no need to indulge presumptions about what that reason might be. It is only where, **as in *Warner-Jenkinson***, the record is silent as to the reason that a presumption does useful service. Thus, when this Court stated that "[t]he presumption we have described" is "subject to rebuttal if an appropriate reason for a required amendment is established" (520 U.S. at 33), it could only have intended that the rebuttal be made from material not appearing on the face of the PTO record. Under the Federal Circuit's interpretation, by contrast, the remand in *Warner-Jenkinson* for possible rebuttal of the presumption would have been pointless.

The Federal Circuit's irrebuttable presumption applies without inquiry into the facts to determine whether it is fair and accurate to say that the patent applicant voluntarily surrendered, abandoned, or disclaimed coverage of equivalents by his actions in the PTO. The net effect, as Judge Newman observed, is that "access to the doctrine of equivalents is barred whether or not the [*Warner-Jenkinson*] rebuttable presumption arises and whether or not it is rebutted." Pet. App. 132a.

If we are correct in the foregoing arguments, it follows that the judgment of the en banc Federal Circuit must be reversed and the judgment of the district court reinstated. None of the amendments here at issue, whether voluntary or made in response to a PTO rejection, were designed to overcome prior

art or otherwise rectify a failure to disclose patentable subject matter. They accordingly do not fall within the category of amendments that give rise to any form of prosecution history estoppel.

B. Prosecution History Estoppel Does Not Completely Bar Every Possible Range of Equivalents for an Amended Claim Element

When an amendment ***does*** surrender subject matter, and thus the prosecution history creates an estoppel, a question arises as to the scope of the estoppel: Does it completely bar any invocation of the doctrine of equivalents as to the narrowed element, or is the bar confined to those aspects of the narrowing amendment that were intended to distinguish prior art or otherwise disclaim subject matter that the applicant feared was not patentable?

An example will illustrate the difference between a flexible and a complete bar. Imagine a claim that describes two members as being connected together, when the prior art discloses the members connected together by a nail. To avoid the prior art, the claim is amended to state that the members are glued together. Suppose further that there are two accused devices, one using paste to secure the connection and the other using a screw. Under a complete bar, the doctrine of equivalents would be unavailable as to both accused products. Under a "flexible bar" regime, equivalence could not be asserted as to the screw, it being closely related to the prior art that the amendment was designed to avoid. But because paste is far more like glue than a screw or nail is, the patent could be enforced against the paste product if the patentee is able to prove at trial that glue and paste are equivalents. In other words, while the patent could not, as a consequence of the amendment, cover nails, screws, tacks, and the like, the applicant is not taken to have surrendered all equivalents to his

revised claim and would remain able to prevent a competitor from making the minor substitution to avoid the claim.

The majority below acknowledged that the Federal Circuit had generally applied the "flexible rule" in the past (Pet. App. 19a-24a), but it nevertheless concluded that the approach should be abandoned as creating uncertainties and difficulties in judicial administration that rendered it "unworkable." Pet. App. 24a-25a. The court offered no support for that conclusion but nonetheless ruled that any amendment related to patentability surrenders all equivalents to the amended element.

While the majority asserted that its reading was not flatly foreclosed by this Court's precedents, it could do little to negate the clear spirit of those decisions, which are at bottom irreconcilable with a "complete bar" approach. In case after case, this Court has proceeded on the view that some range of equivalents may exist after an amendment, and that the scope of any estoppel depends on the scope of the surrender indicated by the prosecution history.

We refer the Court to the excellent and thorough analysis of its precedents set forth by Judge Michel in his dissent (Pet. App. 69a-113a), which there is neither need nor space to replicate here. We therefore confine ourselves to touching on a few highlights that demonstrate the magnitude of the inconsistency between the Federal Circuit's rule and this Court's decisions:

- In *Hurlbut* v. *Schillinger*, 130 U.S. 456 (1889), a patentee who had disclaimed a portion of his invention, and who had been found in prior litigation to be precluded from asserting his claims against one accused device in light of that disclaimer, nonetheless remained entitled to a judgment of infringement by a different device constructed in a manner that less closely resembled

what had been disclaimed and was more closely equivalent to his claimed invention.

- In *Fay* v. *Cordesman*, 109 U.S. 408 (1883), a patentee, despite having amended his claims through the reissuance process, was still able to assert his claims against other devices that were more closely equivalent to his invention.

- In *Goodyear Dental Vulcanite Co.* v. *Davis*, 102 U.S. 222, 223-227 (1880), the Court found that an amended claim did not cover a product formulated in a manner that would have been covered before amendment but was within the area surrendered by the amendment. It nevertheless clearly stated that the patentee could assert infringement of the amended claims by products that were truly equivalent to those recited in the patent. *Id.* at 227.

- In *Shepard* v. *Carrigan*, 116 U.S. 593, 598 (1886), the patentee had "explicitly abandoned" claims to an unplaited skirt protector, but this Court nevertheless contemplated that other skirt protectors could be found to constitute "an equivalent device or instrumentality" of the invention claimed in the reissued patent.

- And, of course, there is *Warner-Jenkinson* itself. The Court carefully parsed the amendment to the claim for a dye purification process that had added limitations requiring the process to be conducted at a pH between 6.0 and 9.0. No dispute existed that the 9.0 pH limitation was necessary to avoid a similar prior art process that operated at a pH above 9.0. 520 U.S. at 32. The Court remanded for determination of whether equivalents should be barred for the 6.0 pH limitation, however, which

> "by its mere inclusion, became a material *element* of the claim." *Ibid.* (emphasis in original). A complete bar approach would have ended the inquiry on the spot, leaving nothing for the lower courts to determine on remand. According to the Court, however, "[t]hat did not necessarily preclude the application of the doctrine of equivalents as to that element." *Ibid.*

In each of these cases, this Court examined the prosecution record to determine what, if any, subject matter was abandoned.

The Court's traditional approach is in total harmony with the essence of the doctrine of equivalents. As the Court long ago declared, and reiterated in *Warner-Jenkinson*, "the substantial equivalent of a thing, in the sense of the patent law, is the same as the thing itself." 520 U.S. at 35 (quoting *Union Paper-Bag Machine Co.* v. *Murphy*, 97 U.S. 120, 125 (1878)). Indeed, "the essential predicate of the doctrine of equivalents is the notion of identity between a patented invention and its equivalent." *Ibid.* Because the allowance of a patent claim encompasses the equivalents to the claim, the Court has observed that patentees "are entitled in all cases to invoke to some extent the doctrine of equivalents * * *." *Seymour* v. *Osborne*, 78 U.S. (11 Wall.) 516, 556 (1870). Properly viewed, therefore, statements made and actions taken during the prosecution history define and limit the scope of the equivalents allowed rather than automatically preclude patent protection for any equivalents whatsoever.

When subject matter is disclaimed to obtain the patent, it is fair to conclude that the surrendered subject matter is not equivalent to the retained matter. And that is largely the effect of prosecution history estoppel as this Court has understood it: an amendment submitted to avoid prior art necessarily excludes at least that prior art from the scope of equivalents of the

subject matter retained in the claim. See *Warner-Jenkinson*, 520 U.S. at 32. The amendment helps to define the scope of the claim. But, as the example with the nails and the adhesive shows, it is not correct as an empirical matter that an amendment that surrenders some things was *ipso facto* intended to surrender, or conveys to a reasonable observer a relinquishment of, all possible equivalents. In fact, all that may fairly be said to have been deliberately and demonstrably surrendered is the portion of the pre-amendment claims that casts doubt upon the inventiveness of the product or process involved.

The Federal Circuit's new rule is also unnecessary to prevent recapture of what has been surrendered. The very act of narrowing the claims, by its inherent nature, correspondingly narrows the range of equivalents that may be claimed. That inherent restriction of equivalents, proportioned to the contraction of claims made to ensure the patentability of the subject matter, is all that is needed or justified by the principles underlying prosecution history estoppel.

The Federal Circuit was concerned about having the patent system operate with sufficient certainty to avoid over-deterring innovation that might approach the terms of patent claims without literally infringing them.[5] But this Court specifically addressed the concern "that the doctrine of equivalents, if applied too broadly, conflicts with the definitional and public-notice functions of the statutory claiming requirement." *Warner-Jenkinson*, 520 U.S. at 29. The Court chose to balance those interests by means of the rebuttable presumption discussed above (at pp. 29-32) and by requiring that every

[5] This concern severely distorts the whole purpose of the patent system, which is not to allow close copying of patented inventions, but to provide incentive for innovation by securing to inventors meaningful protection of the essence of their invention. See pp. 42-44, *infra*.

element of the claim be replicated, literally or by an equivalent, before infringement may be found. The latter principle prevents a patentee from including an element in the claim and then claiming infringement by devices that do not include that element or its equivalent. The Court "was confident" that, so long as the doctrine of equivalents is "applied to individual elements of the claim, not to the invention as a whole[,] * * * the doctrine will not vitiate the central functions of the patent claims themselves." *Id.* at 29-30.

In sum, the Federal Circuit's "complete bar" rule is profoundly wrong in law, in logic, and in policy. It promotes imitation over innovation. That could not be better illustrated than by the facts of this case. Even though it has been established that SMC's device duplicates each element of the claims of the Stoll and Carroll patents — in most cases exactly but in two aspects through insubstantial differences — and even though the amendments served limited purposes and could not be said to have disclaimed sealing rings functioning like those in the Stoll and Carroll patents or a sleeve functioning like that in the Stoll patent, the Federal Circuit's new *per se* rule of estoppel has effectively obliterated Festo's patents, leaving it helpless before copyists. This is done, moreover, for no better reason than that 20 years ago the claims were amended for purposes distinct from the current claims of equivalence. The effect upon Festo will be devastating; the effects upon the patent system no less so.

The implementation of the flexible bar is certainly more difficult than that of the rigid bar and creates a question as to what was surrendered. But any difficulties of application are no greater than those attending application of the doctrine of equivalents to unamended claims. Moreover, as Judge Linn observed, "the mere fact that this court's new rule is a brighter line for determining whether a patentee is estopped from asserting infringement by equivalents, cannot be justification for

adopting a rule that so substantially changes the rules of the game and discounts the intrinsic worth in treating more fairly the individual inventor whose patent right is under administrative scrutiny and is subject to the inherent limitations of language." Pet. App. 128a. Cf. *Warner-Jenkinson*, 520 U.S. at 32, n.6 (mere creation of a "brighter line" does not justify a new estoppel rule).

II. THE FEDERAL CIRCUIT'S NEW RULES ACCOMPLISH NOTHING USEFUL BUT ARE BOUND TO COMPLICATE PATENT PROSECUTION AND LITIGATION

The new rules promulgated by the Federal Circuit are untenable: not only do they fail to serve the purpose for which they are purportedly designed, but they will introduce fresh difficulties into patent prosecution and litigation.

The entire rationale advanced by the court for its drastic rewriting of established patent law was that the existing rules are so imprecise as to be "unworkable." This overlooked the facts that courts had made those rules work for over a century and that the courts will still have to wrestle with the doctrine of equivalents with respect to patents obtained without amendment to the application — which in the future, by virtue of the Federal Circuit's decision in this case, would be most patents.

The Federal Circuit proceeded, nevertheless, to legislate a new bright-line test that it said would greatly reduce uncertainty. Where there has been an amendment to a patent application, judges are to be relieved of the task of ascertaining the reason for or scope of the amendment, or deciding whether an accused device or process is the equivalent of a patented one. Not only is the price to be paid for this supposed gain in certainty unacceptable, the promise of certainty is itself chimerical. The court left out of account the wholly predictable reactions of the patent bar to the new situation.

Prior to the Federal Circuit's decision in this case, the scope of an allowable claim was settled by discussions and negotiations between the claimant's lawyer and the patent examiner. Amendments were freely made to satisfy the examiner's objections. That relatively nonadversarial approach is no longer viable: to amend is to lose the value of the patent to copyists. To avoid this, a patent lawyer filing a claim with the PTO will now have three courses of action, none of them satisfactory:

First, when the examiner rejects an initial filing, the patent attorney may reasonably conclude that there is little choice left but to refuse to amend and instead appeal the rejection to the Board of Patent and Interference Appeals and, if necessary, to a district court and then to the Federal Circuit. Judge Lourie, concurring, advises the patent applicant now to "stand his ground and appeal." Pet. App. 67a. If attorneys generally choose this route, the number of appeals will increase dramatically. The appeals system will be clogged, placing an extra burden on the PTO. The appeals process may then take years more than had been the case, and even successful appeals will often prove to be Pyrrhic victories. The time elapsing during the appeal process is subtracted from the term of the patent, and during that time there is no protection. Particularly in areas of rapidly changing science and technology, these lost early years would otherwise be the most valuable for the patentee. If the appeal fails, as many of them certainly will, the attorney will have no alternative but to amend, thus forfeiting the doctrine of equivalents. Time and money will have been spent to accomplish nothing.

An alternative, and perhaps preferable, tactic would be to formulate claims very narrowly in the first instance in an attempt to avoid the need for any amendments. The patentee will then resort to the doctrine of equivalents in litigation in order to preserve the value of his patent. Judge Plager, concurring,

predicted this reaction. Pet. App. 59a. This may be the safer course, but the artificial and perhaps unnecessary narrowing of the patent claim will often needlessly strip the invention of the full patent protection to which it is legally entitled. More, the purported benefits of the Federal Circuit's bright-line test will never materialize. Litigation over the application of the doctrine of equivalents will proceed as before. But by artificially narrowing the patent claims and eliminating the give-and-take between the claimant and the examiner, the proper scope of the patent will be distorted with no compensating benefit.

The third choice for an inventor is to refrain from filing for a patent at all, thereby avoiding public disclosure of the invention, and to seek instead to protect the invention as a trade secret. "To prohibit no other [than literal infringement] would place the inventor at the mercy of verbalism and would be subordinating substance to form. It would deprive him of the benefit of his invention and would foster concealment rather than disclosure of inventions, which is one of the primary purposes of the patent system." *Graver Tank*, 339 U.S. at 607. Unsatisfactory as trade secret law is — secrets are often discoverable, and there is no protection against subsequent independent invention — a secret is preferable to patent disclosure without protection. Reliance upon trade secret law, and abandonment of the patent system, will harm both inventors and the public.

These are the choices forced upon inventors by the Federal Circuit's new rules. In devising those rules, the Federal Circuit overlooked the ineradicable uncertainty in patent claims. It is a serious mistake to think of a claim description as possessing the clarity of a mathematical formula. A patent claim, as Judge Linn observed, is "a linguistic description of a mental concept. Due to the inherent limitations of language, the fit between the description and the concept is almost always inexact. In addition * * * the language itself may not be adequately

developed at the early stages when patent applications are typically filed, particularly in rapidly evolving research fields * * *. Consequently, claims are commonly amended during prosecution to more particularly point out and distinctly claim that which is regarded to be the invention." Pet. App. 116a-117a (citation omitted). The paramount need to avoid amendment will convert the patent application process into a pettifogging exercise in draftsmanship reminiscent of medieval pleading rules.

In addition to its other failings, the Federal Circuit's rationale for expanding prosecution history estoppel far beyond its equitable function and for barring the doctrine of equivalents entirely whenever an estoppel arises for any reason is completely illogical. Why restrict the rules in this way? Even greater certainty could be achieved by simply eliminating the doctrine of equivalents altogether. There is no logical reason to destroy the doctrine only when an amendment (even one that does not surrender any subject matter in dispute) has been made but to leave the doctrine in full force when no amendment is made. The court has gone at least four-fifths of the way to erasing the doctrine of equivalents, and the presence or absence of an amendment that does not disclaim subject matter bears no relation to the purpose the Federal Circuit announced. If certainty is so compelling that it overrides all other considerations, the court should go all the way and entirely abolish the ability to enforce patents.

Short of abolishing the patent system altogether — which is what forced recourse to trade secret law accomplishes and the decimation of the doctrine of equivalents comes close to achieving — no judicial rewriting of doctrine can eliminate uncertainty in patent litigation. The Federal Circuit has chosen measures that not only conflict with this Court's precedent but radically reduce the value of patents without promoting certainty.

III. THE FEDERAL CIRCUIT'S RULES WOULD SERIOUSLY DAMAGE THE PATENT SYSTEM AND ENACT HARMFUL PUBLIC POLICY

It is no exaggeration to say that the Federal Circuit has dealt the U.S. patent system a crippling blow. The practical effect of the new rules is that would-be competitors need only find an amended claim element in a patent, make an insubstantial change, and thereby deny the patentee protection under either the literal claim or the doctrine of equivalents.

Warner-Jenkinson affirmed a rule striking a very different balance between effective patent protection and the freedom of competitors to design around the patented device or process. A patentee may claim protection from any competing product or process that is equivalent to his own invention unless he has clearly disclaimed the area of science or technology in which the accused "innovation" operates. The court below has swept all that away except for a small minority of patents.

The results are predictable and inevitable. Much of the "stimulat[ion of] investment in improvements and design-arounds" that the majority foresees (Pet. App. 30a) will actually be investment in copying patented products and processes with insignificant changes. Even more certain is that investment in patentable inventions will sharply and very substantially decline. This is due to the familiar problem of the free ride. Investors in patentable inventions will realize that they alone bear the cost of innovation but that most of the benefits will be appropriated by copyists. Under these conditions, which are the direct result of the new rules, investment in innovation will be very greatly reduced.

As Judge Newman put it in dissent (Pet. App. 153a), "the assumption that placing new technology in the public domain is always the optimum path to industrial growth is not supported by experience. Empirical studies have added rigor to the

common sense knowledge that reduced profit opportunity affects the supply of capital to launch a new technology, and often the creation of the technology itself." For this reason, the Federal Circuit's rules would prove especially damaging to small firms, start-ups, and individual innovators. Dominant firms such as SMC's amici may find the new rules congenial because they prevent the successful invasion of their markets by smaller firms with patented innovations, but this is hardly a benefit to the public as a whole.[6]

If not overturned, moreover, the Federal Circuit's decision will do a gross injustice to all those who hold patents issued earlier. There are approximately 1,200,000 outstanding patents, the large majority of them amended during the prosecution process under rules in effect until this case. Those patents were amended freely to satisfy the examiners and without preserving a record of the reasons for the amendments. All of those patents are now vulnerable to copyists under the Federal Circuit's new, retroactive rule. Deprived of the doctrine of equivalents, the owners of such patents will find them either radically diminished in value or effectively destroyed. It is safe to say that this havoc will be wreaked upon hundreds of thousands of existing patents

---

[6] In addition, as Judge Rader pointed out in his dissent (Pet. App. 111a), the rules adopted by the majority are especially problematic in areas of rapidly evolving technology, which he characterized as one of the primary justifications for the doctrine of equivalents. Claims in patent applications are of necessity described in terms of existing technology. As that technology evolves, however, it becomes increasingly easy to substitute newer components that do not substantially change the product from that described in the patent but that likewise do not literally infringe its terms. Under the decision below, "[a]ll patent protection for amended claims is lost when it comes to after-arising technology," (*id.* at 112a), a result that, as Judge Rader observes, cannot be justified on the theory that it was surrendered by the applicant. Judge Rader's observations are especially apt in the rapidly developing fields of biotechnology and information technology.

granted under the then-existing rules. That result cannot be justified under any doctrine called equitable.

This is precisely the concern that prompted Justice Ginsburg's concurrence, joined by Justice Kennedy, in *Warner-Jenkinson*. Justice Ginsburg warned that "applied woodenly" the presumption that an amendment without a known reason creates prosecution history estoppel might "unfairly discount the expectations of a patentee who had no notice at the time of patent prosecution that such a presumption would apply * * * . Years later, the patentee may find it difficult to establish an evidentiary basis that would overcome the new presumption." 520 U.S. at 41. She described the Court's opinion as "sensitive to this problem * * *." *Ibid.* The Federal Circuit wielded its hatchet without exhibiting any comparable sensitivity, creating instead retroactive devastation of what patent holders reasonably would have believed their rights to be.[7]

The Federal Circuit decision also discriminates against foreign applicants. U.S. patent applications by foreigners are typically straight translations of the applications filed in the applicant's home country. The format of the application often differs from that found in U.S. practice, and the translation may be in idiomatic English. The claims of such applications often require amendment or complete rewriting to satisfy the formal requirements of U.S. patent laws. This was the case with the Stoll patent presently at issue. PTO procedure contemplates such filings and provides mechanisms to effect the necessary changes. 37 C.F.R. 1.52(a). Under the rules enacted by the Federal Circuit, the foreign patentee loses the doctrine of

[7] The new rules also sabotage the settled expectations of the PTO and its examiners, who have conducted their examinations of patent applications on the assumption that the amendments they required or encouraged would have only certain narrow, well-understood consequences — consequences far more modest than those that would attach under the new Federal Circuit rules.

equivalents and finds his patent of little use in this country. Should other nations react, the result may be damaging to U.S. patentees seeking foreign patent protection.

The United States has long been interested in harmonizing foreign and domestic patent rules. In recent years, Congress has enacted legislation specifically geared to this goal. The patent term is now 20 years from filing, and once-secret patent applications are now being published, all to achieve harmonization with foreign patent systems. 35 U.S.C. 154(a)(2); 35 U.S.C. 122(b). The United States has also encouraged foreign nations to adopt strong patent laws that protect the innovative accomplishments of U.S. companies. Some nations, including Japan, only recently adopted a doctrine of equivalents. The Federal Circuit's abrupt reversal of course, contrary to the interests of the United States, damages this important movement toward harmonization.

* * * * *

Any patent or copyright system involves trade-off between rewards to stimulate creativity and the costs of exclusivity. The traditional rules of prosecution history estoppel and this Court's cases, culminating in *Warner-Jenkinson*, have recognized the trade-off and achieved a balance between costs and benefits. Congress has acquiesced in that balance by leaving the doctrines of estoppel and equivalence undisturbed for well over a century. No reason appears why the Federal Circuit should be permitted to make its own public policy by dictating a dramatically different cost-benefit decision.

CONCLUSION

For the reasons set forth above, the decision of the Federal Circuit should be reversed.

Respectfully submitted.

ANDREW L. FREY
DONALD M. FALK
ROBERT L. BRONSTON
Mayer, Brown & Platt
1909 K Street, N.W.
Washington, D.C. 20006
(202) 263-3000

ROBERT H. BORK
Counsel of Record
Suite 1000
1150 17th Street, N.W.
Washington, D.C. 20036
(202) 862-5851

CHARLES R. HOFFMANN
GERALD T. BODNER
GLENN T. HENNEBERGER
ANTHONY E. BENNETT
Hoffmann & Baron, LLP
6900 Jericho Turnpike
Syosset, New York 11791
(516) 822-3550

Counsel for Petitioner

AUGUST 31, 2001

APPENDIX

APPENDIX

UNITED STATES CODE

TITLE 35 — PATENTS

CHAPTER 10 — PATENTABILITY OF INVENTIONS

* * *

§ 101. Inventions patentable

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

§ 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless —

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented, or was the subject of an inventor's certificate, by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application for patent or inventor's certificate filed more than twelve months

before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

§ 103. Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Subject matter developed by another person, which qualifies as prior art only under subsection (f) or (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention

were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person.

* * *

CHAPTER 11 — APPLICATION FOR PATENT

§ 111. Application

(a) IN GENERAL. —

(1) WRITTEN APPLICATION. — An application for patent shall be made, or authorized to be made, by the inventor, except as otherwise provided in this title, in writing to the Commissioner.

(2) CONTENTS. — Such application shall include —

(A) a specification as prescribed by section 112 of this title;

(B) a drawing as prescribed by section 113 of this title; and

(C) an oath by the applicant as prescribed by section 115 of this title.

(3) FEE AND OATH. — The application must be accompanied by the fee required by law. The fee and oath may be submitted after the specification and any required drawing are submitted, within such period and under such conditions, including the payment of a surcharge, as may be prescribed by the Commissioner.

(4) FAILURE TO SUBMIT. — Upon failure to submit the fee and oath within such prescribed period, the application shall be regarded as abandoned, unless it is shown to the satisfaction of the Commissioner that the delay in submitting the fee and oath was unavoidable or unintentional. The filing date of an

application shall be the date on which the specification and any required drawing are received in the Patent and Trademark Office.

(b) PROVISIONAL APPLICATION. —

(1) AUTHORIZATION. — A provisional application for patent shall be made or authorized to be made by the inventor, except as otherwise provided in this title, in writing to the Commissioner. Such application shall include —

(A) a specification as prescribed by the first paragraph of section 112 of this title; and

(B) a drawing as prescribed by section 113 of this title.

(2) CLAIM. — A claim, as required by the second through fifth paragraphs of section 112, shall not be required in a provisional application.

(3) FEE. —

(A) The application must be accompanied by the fee required by law.

(B) The fee may be submitted after the specification and any required drawing are submitted, within such period and under such conditions, including the payment of a surcharge, as may be prescribed by the Commissioner.

(C) Upon failure to submit the fee within such prescribed period, the application shall be regarded as abandoned, unless it is shown to the satisfaction of the Commissioner that the delay in submitting the fee was unavoidable or unintentional.

(4) FILING DATE. — The filing date of a provisional application shall be the date on which the specification and any required drawing are received in the Patent and Trademark Office.

(5) ABANDONMENT. — The provisional application shall be regarded as abandoned 12 months after the filing date of such application and shall not be subject to revival thereafter.

(6) OTHER BASIS FOR PROVISIONAL APPLICATION. — Subject to all the conditions in this subsection and section 119(e) of this title, and as prescribed by the Commissioner, an application for patent filed under subsection (a) may be treated as a provisional application for patent.

(7) NO RIGHT OF PRIORITY OR BENEFIT OF EARLIEST FILING DATE. — A provisional application shall not be entitled to the right of priority of any other application under section 119 or 365(a) of this title or to the benefit of an earlier filing date in the United States under section 120, 121, or 365(c) of this title.

(8) APPLICABLE PROVISIONS. — The provisions of this title relating to applications for patent shall apply to provisional applications for patent, except as otherwise provided, and except that provisional applications for patent shall not be subject to sections 115, 131, 135, and 157 of this title.

§ 112. Specification

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set

forth the best mode contemplated by the inventor of carrying out his invention.

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

A claim may be written in independent or, if the nature of the case admits, in dependent or multiple dependent form.

Subject to the following paragraph, a claim in dependent form shall contain a reference to a claim previously set forth and then specify a further limitation of the subject matter claimed. A claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers.

A claim in multiple dependent form shall contain a reference, in the alternative only, to more than one claim previously set forth and then specify a further limitation of the subject matter claimed. A multiple dependent claim shall not serve as a basis for any other multiple dependent claim. A multiple dependent claim shall be construed to incorporate by reference all the limitations of the particular claim in relation to which it is being considered.

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

* * *

CHAPTER 28 — INFRINGEMENT OF PATENTS

§ 271. Infringement of patent

(a) Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent.

* * *